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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
1998 Biennial Regulatory Review)
Part 61 of the Commission's Rules)
and Related Tariffing Requirements)

CC Docket No. 98-131

REPLY COMMENTS OF AT&T CORP.

Pursuant to the Notice of Proposed Rulemaking ("NPRM") released July 24, 1998, AT&T Corp. ("AT&T") hereby offers the following reply to the initial comments filed on the Commission's proposals to revise its Part 61 Rules regarding the filing of tariffs by dominant and nondominant carriers.¹

I. THE PRICE CAP AND ACCESS CHARGE CHANGES PROPOSED BY USTA AND THE ILECS SHOULD NOT BE CONSIDERED IN THIS PROCEEDING.

The Comments filed by the United States Telephone Association ("USTA") and many of the incumbent local exchange carriers ("ILECs") complain that the Commission's NPRM does not go far enough. They argue that the Commission should implement broad ranging relief for ILECs, including substantial changes in price cap and access charge rules.² In addition to its Comments, USTA has filed a separate

¹ Notice of Proposed Rulemaking, 1998 Biennial Review -- Part 61 of the Commission's Rules and Related Tariffing Requirements, CC Docket No. 98-131, FCC 98-164 ("NPRM"), 63 Fed. Reg. 49521 (September 16, 1998).

² USTA at 1, 8; U S WEST at 1; Ameritech at 8-12; ALLTEL at 2; BellSouth at 1-2; Bell Atlantic at 2-10.

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Petition for Rulemaking which asks that the Commission undertake a detailed review of all its rules, including the Part 61 rules that are the subject of this proceeding.³

The USTA/ILEC proposals obviously go well beyond the Commission's more targeted inquiry in this NPRM, which is directed at simplifying and improving the tariff process.⁴ The Commission has already established a separate docket to consider USTA's Petition, as well as a separate proceeding to develop a more complete record on price cap and access reform matters.⁵ Accordingly, the broad ranging suggestions by USTA and the ILEC commenters relating to price cap and

³ The Commission has already requested comments on that Petition. United States Telephone Association Files Petition For Rulemaking For 1998 Biennial Regulatory Review, DA 98-2205, released October 30, 1998.

⁴ USTA's Comments also recommend that ILECs be allowed to file contract based tariffs and be relieved of many tariff cost support requirements. USTA at 4-8; cf. Ameritech at 10. These requests are obviously premature given the ILECs' dominance of the market for local telecommunications. See, e.g., 1998 Biennial Regulatory Review - Review of Depreciation Requirements for Incumbent Local Exchange Carriers, CC Docket No. 98-137, FCC 98-170, released October 14, 1998, at ¶ 7 and n. 33 (concluding local market is not competitive because "in 1996 the incumbent LECs had 99 percent of the local exchange market ... we expect that 1997 data will show the incumbent LECs' market share at not less than 97 percent.")

⁵ Public Notice, Commission Asks Parties to Update and Refresh Record for Access Charge Reform and Seeks Comment on Proposals for Access Charge Reform Pricing Flexibility, CC Docket Nos. 96-262, 94-1, 97-250, RM-9210, FCC 98-126 (released October 5, 1998).

access charge reform should be considered in those dockets and not in this proceeding.

II. THE COMMISSION SHOULD ADOPT THE PART 61 MODIFICATIONS RECOMMENDED IN AT&T'S COMMENTS.

In its initial Comments, AT&T indicated that it was very concerned about the Commission's proposed Section 61.77, which would prohibit the filing of tariffs combining domestic and international service offerings. AT&T showed that the burden and expense of the Commission's proposal far outweighed any possible benefits.⁶ As AT&T explained, customers do not typically purchase separate domestic and international long distance services, and artificially separating those services would make long distance services significantly more complicated and less convenient.

Other parties agreed with AT&T that separating domestic and international tariffs would have substantial adverse impacts. According to Sprint, the "public clearly benefits from [the existing combined] structure because the international and interstate rates being offered can be readily identified ... it would be extremely burdensome for

⁶ AT&T explained that the Commission's proposal would require changes in a vast number of the approximately 100,000 pages of tariffs AT&T currently has on file with the Commission. AT&T estimated that these changes would require some 18 person-years of labor and involve a cost of several millions of dollars. AT&T at 5-6.

carriers to separate the components that are currently combined.”⁷ The Telecommunications Resellers Association similarly agreed that requiring carriers to “withdraw, reconstruct and resubmit existing tariffs ... would be administratively burdensome.”⁸ GTE stated that there “is no need to require separate tariffs for domestic and international services, as proposed in Section 61.77.”⁹ Accordingly, the Commission should not adopt proposed Section 61.77.

AT&T also objected to the Commission’s proposal that a nondominant carrier’s new rates or regulations must remain in effect for at least 15 days before they can be changed. Instead, AT&T recommended that the Commission allow nondominant carriers to change any new rate or regulation on one day’s notice, pointing out that the Commission should permit the marketplace to “regulate” nondominant carrier

⁷ Sprint at 7.

⁸ TRA at 4-5. TRA does suggest that the separation requirement could be applied prospectively to new tariffs, but that the Commission should grandfather existing tariffs. *Id.* While it would be appropriate to allow carriers the freedom to separate their tariffs if they wish, AT&T believes that the Commission should not mandate such separation.

⁹ GTE at 10.

pricing practices.¹⁰ This suggestion was echoed in the comments of a large number of parties.¹¹

In its NPRM, the Commission asked whether it should relax its current 90 day notice period for Alascom's tariffs, a proposition that AT&T supported.¹² The Comments of ATU-Long Distance ("ATU") and Alaska Network Systems ("ANS") oppose any changes in the current practices relating to Alascom. They explain that they "need the full time period currently allotted to review [Alascom's] supporting information and to file pleadings with the Commission" with respect to Alascom's annual tariff filings.¹³ These assertions are incorrect. Even the annual access tariff filings of the large ILECs, which involve vastly greater revenues and vastly more complicated issues, are filed on only 15 or 7 days notice (depending on whether a rate increase or decrease is involved) and parties have only 7 or 3 days, respectively, to file their petitions against those tariffs.¹⁴ Accordingly, a shortened notice period for Alascom is clearly appropriate.

¹⁰ AT&T at 5-6.

¹¹ Ameritech at 5-6; NTCA at 2; Bell Atlantic at 5-6; NECA at 1-2; USTA at 5.

¹² AT&T at 7-8.

¹³ ANS at 4; ATU at 2.

¹⁴ 47 C.F.R. § 1.773(a)(2)(i) and (ii)

AT&T also suggested a number of minor modifications and technical corrections to the Commission's rules. AT&T recommended that the Commission liberalize its rules in the event of mandatory detariffing, permit the filing of paper tariffs in an emergency, continue to permit multiple tariffs to be filed on a single diskette or CD, continue to permit AT&T to file contract tariffs using the existing nomenclature, and broaden the classes of documents that can be cross referenced.¹⁵ Although the initial Comments of other parties generally did not address these narrow issues, at the same time, AT&T's recommendations do not appear to conflict with the positions of the other commenters. Accordingly, the Commission should adopt AT&T's proposals.

¹⁵ AT&T at 1-6.

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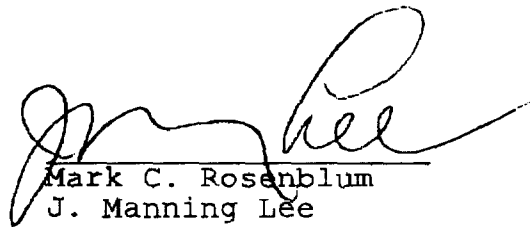
CONCLUSION

The initial Comments of the other parties provide no basis to depart from the recommendations submitted by AT&T in its Comments. Accordingly, the Commission should amend its Part 61 Rules as described in AT&T's initial Comments.

Respectfully submitted,

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By



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November 16, 1998

CERTIFICATE OF SERVICE

I, Margaret Brue, do hereby certify that on this 16th day of November, 1998, a copy of the foregoing "Reply Comments of AT&T Corp." was mailed by U.S. first class mail, postage prepaid, to the parties on the attached service list:



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